

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6853**

**BILL NUMBER:** HB 1384

**NOTE PREPARED:** Feb 17, 2011

**BILL AMENDED:** Feb 17, 2011

**SUBJECT:** Plumbing Matters.

**FIRST AUTHOR:** Rep. Niezgodski

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) *Water Pollution Control Board Rules*- The bill requires the Water Pollution Control Board (WPCB) to adopt rules establishing testing requirements and procedures for backflow prevention devices contained in a customer service line.

*Cross-Connection Control Inspectors*- The bill requires continuing professional education for an Indiana registered cross-connection control inspector.

*Journeyman Plumbers*- The bill requires continuing professional education for journeyman plumbers.

*Continuing Education Fund*- The bill establishes the Cross-Connection Control Inspector Continuing Education Fund (CEF). The bill provides that the CEF may be used to: (1) administer the cross-connection control inspector continuing education program; (2) provide registration cards to an Indiana registered cross-connection control inspector; and (3) maintain and update an Indiana registered cross-connection control inspector database.

*Fees*- The bill provides that the WPCB may establish registration fees in an amount not to exceed: (1) \$50 for a new cross-connection control inspector; and (2) \$30 for a renewal cross-connection control inspector. The bill provides that the amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the Indiana Department of Environmental Management (IDEM).

*Water Pollution Control Board Rules*- The bill requires the WPCB to establish rules to require a cross-connection control inspector to indicate as to whether a commercial or residential, excluding agricultural, water distribution system contains moisture sensing technology by providing verification on the cross-

connection control inspector's inspection report.

*Verifying Journeyman Plumber's Continuing Education-* The bill allows a plumber to renew a journeyman plumber's license by verifying compliance with professional education requirements on the license renewal application or by providing course documentation.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Water Pollution Control Board Rules-* The WPCB would be able to adopt the rules necessary for the requirements listed above within the course of the regular business meetings scheduled for the WPCB. The WPCB is scheduled to meet 12 times in CY 2011.

*Cross-Connection Control Inspectors-* This provision would cost the Indiana Department of Environmental Management (IDEM) approximately \$145,000 per year to implement and maintain a continuing education program for two hours per registered inspector every two years. The main cost to IDEM would be the auditing of registered inspectors for compliance. New rules would be required to implement the continuing education program. However, the new rules could likely be implemented within the course of a regular meeting of the WPCB.

*Journeyman Plumbers-* This provision would have an indeterminable impact on Professional Licensing Agency (PLA) expenditures. The two main expenditures for the PLA would be continuing education audits for journeyman plumbers and discipline procedures for noncompliant plumbers. Additionally, the Plumbing Commission may require additional meetings at the subcommittee level to develop rule language for a continuing education program.

*Background Information- Cross-Connection Control Inspectors-* Initial applicants must attend 40 hours of education and successfully complete a written and oral examination for cross-connection device inspectors administered by a training provider. There are 4,127 active registered cross-connection inspectors currently.

*Journeyman Plumbers-* As of September 2010, there were 4,699 journeyman plumbers with an active license.

**Explanation of State Revenues:** (Revised) *Fees-* The bill provides that fees must be set to cover the cost of IDEM to administer the program. The fee for new cross-connection inspectors would be not more than \$50. Inspectors already on the list would have to pay a renewal fee of not more than \$30 to remain on the list. Assuming all current registered inspectors paid a renewal fee of \$30, the revenue for renewals from these existing inspectors would be approximately \$123,810. It is unknown how much revenue will be generated from new registration fees.

To cover the estimated costs for the continuing education program with the 4,127 existing active inspectors, each would have to pay a renewal fee of approximately \$36. However, this does not incorporate fees from new inspectors.

*Background Information-* Total plumbing license revenue was \$598,872 in FY 2010. Plumbing license fee revenue is deposited in the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM, PLA, Plumbing Commission, Water Pollution Control Board.

**Local Agencies Affected:**

**Information Sources:** Marty Allain, General Counsel, Professional Licensing Agency; Brad Baughn, Nancy King, Indiana Department of Environmental Management; *Indiana Handbook of Taxes, Revenues, and Appropriations*; 327 IAC 8-10-11.

**Fiscal Analyst:** Chris Baker, 317-232-9851.